BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CATALINA RED & WHITE CRUISES, INC., a California Corporation, for a certificate of public convenience and necessity to operate as a vessel common carrier between Long Beach and Los Angeles (San Pedro), California, on the one hand, and all points and places on Santa Catalina Island, on the other hand, and between all points and places at and within three miles of Santa Catalina Island; and request for interim operating authority.

Application 01-02-026 (Filed February 16, 2001)

ADMINISTRATIVE LAW JUDGE'S RULING

Applicant was granted interim authority to operate scheduled and nonscheduled service between Santa Catalina Island and the cities of San Pedro and Long Beach by Decision 01-09-061. A final decision on the application is pending.

On November 8, 2001, Protestant Inlandboatmen's Union of the Pacific, Marine Division, International Longshore and Warehouse Union, AFL-CIO (Protestant) filed a petition to set aside submission and reopen the proceedings for taking of additional/evidence. Accompanying this petition is a sworn declaration of Marco Vuoso, former captain and mate on the Catalina King and Catalina Countess, alleging personally observed safety violations in the operation of the Catalina King. Accompanying this declaration is a written report of these asserted violations and the regulations claimed to be violated.

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A.01-02-026 SHL/jyc

On November 26, 2001, Applicant Catalina Classic Cruises, Inc.

(Applicant) filed a response to Protestant's petition, including sworn declarations

of a captain and captain/engineer of the Catalina King refuting the allegations in

Protestant's petition. On November 30, 2001, Protestant filed a further

declaration asserting additional observations of safety violations or improper

boat management.

The response of Applicant asserts that the petition to set aside submission

contains false and misleading statements. This presents a question of fact that I

am not comfortable in deciding when the subject concerns safety of the present

and future passengers to be served. Whether the events as described in

Protestant's Petition occurred, and whether these are violations of regulations or

in any way indicate unsafe operations is a matter that should more properly be

addressed in a public hearing.

IT IS RULED that:

1. Protestant's petition to set aside submission and reopen proceedings is

granted.

2. The reopened proceedings will be restricted to issues of safe operations of

Applicant.

3. Hearings on this matter will be held at the earliest possible time so that

this matter may reach a final decision before the beginning of this year's tourist

season.

Dated January 22, 2002, at San Francisco, California.

/s/ SHELDON ROSENTHAL

Sheldon Rosenthal

Administrative Law Judge

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CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling on all parties of record in this proceeding or their attorneys of record.

Dated January 22, 2002, at San Francisco, California.

/s/ JEANNIE CHANG

Jeannie Chang

NOTICE

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.